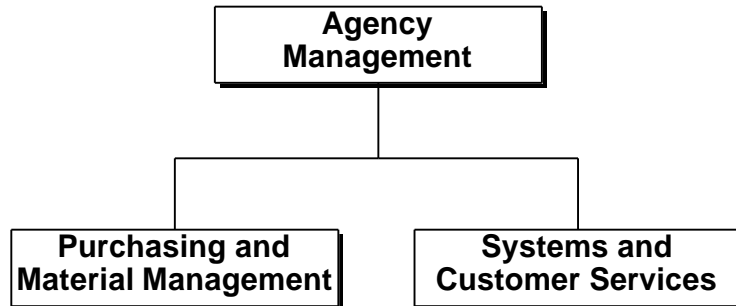


# DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT



# DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT

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## *Agency Position Summary*

59 Regular Positions / 59.0 Regular Staff Years

### ***Position Detail Information***

#### **AGENCY MANAGEMENT**

1	Director
2	Management Analysts III
1	Secretary III
1	Secretary II
2	Assistant Buyers
1	Account Clerk II
3	Clerical Specialists
1	Administrative Aide
12	Positions
12.0	Staff Years

#### **PURCHASING AND MATERIAL MANAGEMENT**

1	Deputy Director
2	Purchasing Supervisors
9	Buyers II
3	Buyers I
1	Assistant Buyer
1	Property Management Supervisor
1	Electronic Equipment Technician II
1	Warehouse Supervisor
1	Warehouse Specialist
1	Material Requirements Specialist
1	Account Clerk II
3	Supply Clerks
7	Warehouse Worker-Drivers
1	Management Analyst III
33	Positions
33.0	Staff Years

#### **SYSTEMS AND CUSTOMER SERVICES**

1	Management Analyst IV
1	Management Analyst III
2	Inventory Management Supervisors
1	Business Analyst III
1	Business Analyst II
1	Business Analyst I
1	Network Telecommunication Analyst I
1	Information Technology Technician I
1	Administrative Assistant
1	Office Service Manager II
1	Buyer II
1	Property Auditor
1	Management Analyst II
14	Positions
14.0	Staff Years

# DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT

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## Agency Mission

To provide overall centralized material management and policies with decentralized implementation, emphasizing central policy control and selected delegation of tasks where appropriate. This includes purchasing, cataloging and standardization, inventory management, warehousing and distribution, excess and surplus property management, and equipment accountability for the County government and Fairfax County Public Schools (FCPS), and such ancillary authorities as may be designated. To operate a centralized purchasing function in accordance with the Code of Virginia, the Fairfax County Purchasing Resolution, and generally accepted purchasing practices. To support the Board of Supervisors' Small Business Enterprise (SBE) Program.

Agency Summary					
Category	FY 2000 Actual	FY 2001 Adopted Budget Plan	FY 2001 Revised Budget Plan	FY 2002 Advertised Budget Plan	FY 2002 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	59/ 59	59/ 59	59/ 59	59/ 59	59/ 59
Expenditures:					
Personnel Services	\$2,370,058	\$2,657,256	\$2,610,134	\$2,741,153	\$2,768,570
Operating Expenses	653,303	880,002	913,784	1,007,165	1,003,781
Capital Equipment	10,410	0	15,000	0	0
<b>Total Expenditures</b>	<b>\$3,033,771</b>	<b>\$3,537,258</b>	<b>\$3,538,918</b>	<b>\$3,748,318</b>	<b>\$3,772,351</b>
Income:					
Contract Rebates	\$66,255	\$61,213	\$130,500	\$158,500	\$158,500
<b>Total Income</b>	<b>\$66,255</b>	<b>\$61,213</b>	<b>\$130,500</b>	<b>\$158,500</b>	<b>\$158,500</b>
<b>Net Cost to the County</b>	<b>\$2,967,516</b>	<b>\$3,476,045</b>	<b>\$3,408,418</b>	<b>\$3,589,818</b>	<b>\$3,613,851</b>

Summary by Cost Center					
Category	FY 2000 Actual	FY 2001 Adopted Budget Plan	FY 2001 Revised Budget Plan	FY 2002 Advertised Budget Plan	FY 2002 Adopted Budget Plan
Agency Management	\$495,890	\$700,138	\$618,255	\$690,659	\$692,608
Purchasing & Material					
Management	1,743,706	1,709,990	1,774,289	1,803,101	1,818,815
Systems & Customer					
Services	794,175	1,127,130	1,146,374	1,254,558	1,260,928
<b>Total Expenditures</b>	<b>\$3,033,771</b>	<b>\$3,537,258</b>	<b>\$3,538,918</b>	<b>\$3,748,318</b>	<b>\$3,772,351</b>

## Board of Supervisors' Adjustments

*The following funding adjustments reflect all changes to the FY 2002 Advertised Budget Plan, as approved by the Board of Supervisors on April 30, 2001:*

- The 1.0 percent cost-of-living adjustment approved by the Board of Supervisors, and previously held in reserve, has been spread to County agencies and funds. This action results in an increase of \$27,417 to the Department of Purchasing and Supply Management.
- A net decrease of \$3,384 as part of the \$15.8 million reductions to County agencies and funds approved by the Board of Supervisors. This reduction includes a decrease of \$3,384 in professional development training. The net reduction results in a decrease of \$3,384 in Operating Expenses.

# DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT

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*The following funding adjustments reflect all approved changes to the FY 2001 Revised Budget Plan from January 1, 2001 through April 23, 2001. Included are all adjustments made as part of the FY 2001 Third Quarter Review:*

- Net savings of \$75,218 primarily in Personnel Services and Operating Expenses are associated with the Close Management Initiatives program. These savings are now available for reinvestment in other County initiatives.
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## ***County Executive Proposed FY 2002 Advertised Budget Plan***

### **Purpose**

To secure high quality goods and services at reasonable cost, while ensuring that all purchasing actions are conducted in a fair and impartial manner with no impropriety or appearance thereof, that all qualified vendors have access to County business, that procurement procedures involve openness and administrative efficiency, and that the maximum feasible degree of competition is achieved.

To manage all supplies and equipment, except as excluded by formal agreement between the County and other public bodies. This includes inventory management of consumable supplies, disposition of excess and surplus property, and the physical accountability of fixed assets.

### **Key Accomplishments**

- ◆ Received the "Outstanding Agency Accreditation" award from the National Institute of Governmental Purchasing (NIGP) in FY 2000.
- ◆ Enhanced the Department of Purchasing and Supply Management's website to add the contract register, notice of awards, bid tabulations, and Internet ordering features.
- ◆ Initiated a customer outreach program to educate the procurement staff about the programs they support, therefore increasing the level of customer service they provide.
- ◆ Implemented an electronic billing process for procurement card and office supply purchases.
- ◆ Established a national contract for personal computer hardware and software under the auspices of the National Association of Counties (NACo).
- ◆ Received \$271,000 in revenue from contract rebates, an increase of \$225,000 over planned revenue. It should be noted that a portion of the revenue was shared with the Fairfax County Public Schools system based on their participation in the program.
- ◆ Sponsored an introductory procurement class for customer departments, conducted by the National Institute of Governmental Purchasing.
- ◆ Sponsored a small business expo for vendors and County agencies.
- ◆ Developed a web-based publication entitled, "Procurement in Fairfax County – A Guide for Businesses" which provides information on how to do business with Fairfax County Government.

# DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT

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## FY 2002 Initiatives

- ◆ Develop a web-based vendor application form to provide self-registration and self-maintenance of the database and enhance the process of collecting vendor performance data.
- ◆ Enhance the County's corporate information systems with web-based graphical user interface software to allow the use of 'point-and-click' technology.
- ◆ Replace the County and Fairfax County Public Schools proprietary stock numbering system with an off-the-shelf and widely accepted stock numbering database.
- ◆ Provide the Department of Purchasing and Supply Management with imaging and electronic document management capability to allow ready retrieval of contract, purchase order, and other pertinent documents.
- ◆ Establish a manufacturer and distributor contract for furniture as the lead jurisdiction for the National Association of Counties.
- ◆ Participate in a pilot regional e-procurement portal with the Metropolitan Washington Council of Governments.
- ◆ Develop electronic bidding capability.

## Performance Measurement Results

The Department of Purchasing and Supply Management's performance measures are formulated to capture and report the significant activities occurring within each cost center of the department. The performance measures document and demonstrate the extent to which the department is able to meet the business needs of the user agencies in establishing contracts with quality vendors in a timely manner. Currently, the Department of Purchasing and Supply Management uses performance measurement data to monitor productivity and performance levels and allocate resources to ensure the highest level of customer service. Specifically, the customer service measures captured through the annual customer satisfaction survey have been used to implement fixes and enhancements in the County and Schools Procurement System (CASPS), expand the procurement card program, and pilot the introductory procurement training. In FY 2000, the Department maintained the cost to purchase \$100 of goods and services at \$0.50 for the third straight year. This indicator demonstrates the return on investment in information technology innovations and overall program efficiency. Also in FY 2000, the Department began receiving rebates under the procurement card program and various contracts awarded under the auspices of NACo, including the Office Depot contract. The rebates received exceeded projections by 178 percent.

## Funding Adjustments

*The following funding adjustments from the FY 2001 Revised Budget Plan are necessary to support the FY 2002 program:*

- ◆ An increase of \$83,897 in Personnel Services associated with salary adjustments necessary to support the County's compensation program.
- ◆ A net decrease of \$71,742 in Operating Expenses primarily due to one-time funding in FY 2001 for encumbered and unencumbered items.
- ◆ An increase of \$122,759 for information technology infrastructure charges based on the agency's historic usage and the Computer Equipment Replacement Fund (CERF) surcharge to provide for the timely replacement of the County's information technology infrastructure.

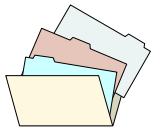
# DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT

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- ◆ An increase of \$6,768 associated with the County's Professional Development initiative which provides a percentage of Personnel Services' expenditures for training and development requirements.

*The following funding adjustments reflect all approved changes to the FY2001 Revised Budget Plan since the passage of the FY 2001 Adopted Budget Plan. Included are all adjustments made as part of the FY 2000 Carryover Review and all other approved changes through December 31, 2000:*

- ◆ As part of the FY 2000 Carryover Review, \$50,846 in Operating Expenses was added due to unencumbered carryover associated with unexpended Close Management Initiatives (CMI) savings. In addition, \$18,532 in Operating Expenses and \$7,500 in Capital Equipment were added due to encumbered carryover.



## Agency Management

### Goal

To provide overall management and administrative support services to the agency in an effective and efficient manner. This includes performing the functions of the Purchasing Agent for the Board of Supervisors and the Fairfax County Public School Board; budget preparation and management; contract support services; human resource functions; and financial management functions. To operate the Small Business Enterprise Program through the identification, registration, education, and assistance of small business owners and to promote the procurement of goods and services from these enterprises in an equally competitive manner.

Cost Center Summary					
Category	FY 2000 Actual	FY 2001 Adopted Budget Plan	FY 2001 Revised Budget Plan	FY 2002 Advertised Budget Plan	FY 2002 Adopted Budget Plan
Authorized Positions/Staff Years <sup>1</sup>					
Regular	13/ 13	14/ 14	12/ 12	12/ 12	12/ 12
<b>Total Expenditures</b>	<b>\$495,890</b>	<b>\$700,138</b>	<b>\$618,255</b>	<b>\$690,659</b>	<b>\$692,608</b>

<sup>1</sup> Position increase is due to the internal transfer of positions associated with a departmental reorganization.

### Objectives

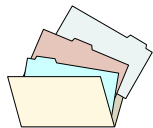
- ◆ To increase the percentage of formal contract actions without valid protest or legal actions from 96.6 percent to 97.0 percent, toward a target of 100.0 percent.
- ◆ To maintain the cost of procuring \$100 worth of goods or services at \$0.50 without a degradation of service.

# DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT

## Performance Indicators

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimate/Actual	FY 2001	FY 2002
<b>Output:</b>					
Formal contractual actions processed <sup>1</sup>	540	415	415 / 647	650	650
Value of purchase orders, procurement card, and internet transactions processed (millions)	\$326.7	\$329.4	\$339.3 / \$381.1	\$384.0	\$388.0
<b>Efficiency:</b>					
Cost per formal contractual action	\$108	\$120	\$114 / \$72	\$120	\$73
Cost per \$100 of goods or services procured	\$0.48	\$0.48	\$0.52 / \$0.47	\$0.50	\$0.50
<b>Service Quality:</b>					
Percentage of contractual actions receiving valid protest	0.2%	0.2%	0.2% / 0.2%	0.2%	0.2%
Percentage of customers indicating satisfaction with service	96%	93%	97% / 97%	95%	95%
<b>Outcome:</b>					
Percent of formal contractual actions awarded without valid protest	96.8%	96.6%	95.5% / 99.8%	96.6%	97.0%
Percent change in cost to procure \$100 of goods or services	(15.8%)	0.0%	8.3% / (2.5%)	6.4%	0.0%

<sup>1</sup> Starting in FY 2000 this data reflects the number of formal contract awards, not the number of solicitations as previously reported.



## Purchasing and Material Management

### Goal

To acquire goods and services for County agencies and Fairfax County Public Schools (FCPS) at an optimum combination of price, quality, and timeliness; to provide central warehouse services of storage, distribution, and supply to County agencies in a timely manner and in accordance with generally accepted professional material management standards; and to redistribute excess property generated by County activities to avoid costs and dispose of surplus property generated by the County and FCPS in a timely manner, while maximizing return.

Cost Center Summary					
Category	FY 2000 Actual	FY 2001 Adopted Budget Plan	FY 2001 Revised Budget Plan	FY 2002 Advertised Budget Plan	FY 2002 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	33/ 33	32/ 32	33/ 33	33/ 33	33/ 33
<b>Total Expenditures</b>	<b>\$1,743,706</b>	<b>\$1,709,990</b>	<b>\$1,774,289</b>	<b>\$1,803,101</b>	<b>\$1,818,815</b>

# DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT

## Objectives

- ◆ To increase by two percentage points the percent of purchase requisitions (PR) completed against a valid contract within 10 days from 90 percent to 92 percent, toward a target of 98 percent.
- ◆ To increase by 5 percentage points the percent of all formal solicitations completed within the established procurement schedule from 85 percent to 90 percent.

## Performance Indicators

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimate/Actual	FY 2001	FY 2002
<b>Output:</b>					
Purchase requisitions converted to purchase orders <sup>1</sup>	38,744	18,562	40,000 / 6,256	6,300	6,350
Replacement costs avoided by redistributing property	\$67,290	\$45,570	\$70,000 / \$86,570	\$80,000	\$80,000
Proceeds generated from auction of surplus property (millions)	\$1.55	\$1.10	\$1.50 / \$1.20	\$1.10	\$1.20
Contractual actions processed	540	415	415 / 647	650	650
<b>Efficiency:</b>					
Purchase requisitions converted to purchase orders per buyer staff	2,767	1,428	2,857 / 481	485	488
Formal solicitations managed per buyer	48	41	31 / 49	50	50
<b>Service Quality:</b>					
Percent satisfaction with purchase order processing based on annual customer satisfaction survey	96%	91%	96% / 93%	95%	95%
Percent satisfaction with timeliness of process to establish a contract	NA	67%	NA / 78%	85%	90%
<b>Outcome:</b>					
Percent of requisitions completed within 10 days	NA	85.7%	80.0% / 87.1%	90.0%	92.0%
Percent of formal solicitations completed within the established procurement schedule.	NA	NA	NA / NA	85.0%	90.0%

<sup>1</sup> FY 1998 Actual, FY 2000 Estimate include purchase order (PO) and small purchase order (SO) documents. FY 1999 Actual, FY 2000 Actual and all future years include purchase order (PO) documents only. Trend reflects increased activity in use of procurement card.



# DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT



## Systems and Customer Services

### Goal

To provide system management and administration to all County and FCPS users of the mainframe-based *County and Schools Procurement System* (CASPS) necessary to effectively meet their business mission; provide management and technical oversight of the Department's Local Area Network (LAN); provide procurement assistance and Procurement Opportunities List registration support to the County's vendor/business community; and provide centralized assistance and oversight to the County/FCPS inventory management, procurement, and property accountability/fixed asset program managers.

Cost Center Summary					
Category	FY 2000 Actual	FY 2001 Adopted Budget Plan	FY 2001 Revised Budget Plan	FY 2002 Advertised Budget Plan	FY 2002 Adopted Budget Plan
Authorized Positions/Staff Years					
Regular	13/ 13	13/ 13	14/ 14	14/ 14	14/ 14
<b>Total Expenditures</b>	<b>\$794,175</b>	<b>\$1,127,130</b>	<b>\$1,146,374</b>	<b>\$1,254,558</b>	<b>\$1,260,928</b>

### Objectives

- ◆ To accurately track and maintain the County's inventories, maintaining an accuracy rate of at least 98 percent for consumable and fixed assets.
- ◆ To increase the use of electronic commerce (Electronic Data Interchange (EDI), Internet ordering, and procurement card) for delivering orders to vendors with a target of delivering more than 80 percent of the orders via electronic commerce and achieving 95 percent of rebates available to the County.
- ◆ To maintain a help desk customer satisfaction rate of 95 percent, toward a target of 98 percent satisfaction and reduce the time to close customer calls by 9.1 percent, toward a target of 30 percent reduction in closure time.

### Performance Indicators

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimate/Actual	FY 2001	FY 2002
<b>Output:</b>					
Value of consumable inventory (in millions)	\$3.7	\$3.9	\$3.8 / \$3.9	\$3.9	\$3.9
Line items carried in consumable inventory account	NA	NA	NA / 18,585	18,500	18,000
Value of fixed asset inventory (in millions)	\$137.8	\$168.0	\$169.0 / \$197.0	\$225.0	\$250.0
Fixed assets in the Capital Equipment Account	NA	NA	NA / 7,259	8,000	8,800
Small Purchase Orders and Purchase Orders sent via EDI	NA	506	6,000 / 3,765	4,300	5,000
Percent of office supply orders submitted via Internet	NA	24%	48% / 47%	80%	80%
Value of procurement card purchases (in millions) <sup>1</sup>	\$1.0	\$1.8	\$3.0 / \$23.6	\$25.0	\$27.0

# DEPARTMENT OF PURCHASING AND SUPPLY MANAGEMENT

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimate/Actual	FY 2001	FY 2002
Assistance/help desk calls received/processed	7,000	2,700	5,670 / 1,102	1,100	1,000
Rebates and incentives received	0	0	\$46,000 / \$271,000	\$375,000	\$416,000
<b>Efficiency:</b>					
Cost per line item to maintain consumable inventory accuracy of at least 95%	NA	NA	NA / \$3.66	\$3.67	\$3.78
Cost per fixed asset to maintain at least 95% inventory accuracy	NA	NA	NA / \$14.84	\$13.46	\$12.24
Cost per \$1 of rebate received	NA	NA	\$0.34 / \$0.20	\$0.21	\$0.18
Average time to close each help desk call answered (hours)	NA	NA	8.0 / 2.4	2.2	2.0
<b>Service Quality:</b>					
Percent of customers rating consumable inventory tracking as satisfactory or better	96%	94%	95% / 97%	95%	95%
Percent of customers satisfied with the procurement card program	NA	97%	98% / 98%	98%	98%
Percent of help desk calls closed in one day or less	NA	NA	50% / 87%	88%	90%
Percent of customers rating help desk as satisfactory or better	89%	87%	95% / 85%	95%	95%
<b>Outcome:</b>					
Percent of consumable items accurately tracked	97%	97%	97% / 97%	98%	98%
Percent of fixed assets accurately tracked	100%	100%	98% / 100%	98%	98%
Percent of rebates achieved relative to plan <sup>2</sup>	NA	NA	95% / 178%	95%	95%
Percent reduction in calls for help desk assistance	NA	61.0%	11.0% / 59.0%	8.3%	9.1%

<sup>1</sup> FY 1998 actual, FY 1999 actual, and FY 2000 estimate represent County expenditures only. FY 2000 actual and FY 2002 estimate include County and FCPS purchases.

<sup>2</sup> Rebates from Office Depot and procurement card program exceeded projections due to increased purchasing activity and vendor incentive program.